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April 14, 2016

(Via e-mail Flanagan.sarah@epa.gov and Overnight Mail)

Sarah P. Flanagan, Esq.
Office of Regional Counsel, NJ Superfund Branch
USEPA, Region 2
290 Broadway, 17th Floor
New York, NY 10007

**Re: Response to March 31, 2016 Notice of Potential Liability
And Commencement of Negotiations for Remedial Design**
Superfund Site: Diamond Alkali Superfund Site
Lower 8.3 Miles of the Lower Passaic River ("LPR")
Essex and Hudson Counties, NJ
Our File No. S3721-00001

Dear Ms. Flanagan:

We represent STWB Inc. ("STWB") in connection with the above-referenced matter. On behalf of our client, we received the March 31, 2016 letter from Nicoletta Di Forte, Deputy Director for Enforcement for EPA's Emergency and Remedial Response Division ("EPA"), regarding potential liability of STWB related to two facilities identified as the former Thomasset Colors/Sterling, previously located at 120 Lister Avenue, Newark, New Jersey ("Thomasset"), and the former Lehn & Fink Products Corp. facility, that was located at 192-194 Bloomfield Avenue, Bloomfield, New Jersey ("L&F").

In her letter Ms. De Forte advises that EPA is currently seeking to determine whether Occidental Chemicals Corporation ("OCC") will voluntarily perform the Remedial Design for the Remedy selected in the Record of Decision and, thereafter, EPA will seek a Remedial Action Consent Decree under which OCC and other major PRPs will implement and/or pay for EPA's selected remedy for the lower 8.3 miles of the LPR. Additionally, EPA states that it believes some of the parties that have been identified as PRPs under CERCLA may be eligible for a cash-out settlement with EPA for the lower 8.3 miles of the Lower Passaic River and that it intends to provide separate notice of the opportunity to discuss a cash-out settlement at a later date.

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By this letter, STWB wishes to advise EPA that (i) the nexus package submitted by Tierra/Maxus/OCC ("TMO") connecting Thomasset to the LPR contained significant, material factual errors; and (ii) for that reason, STWB believes it will likely be fully eligible for any cash-out settlements offered by EPA. Indeed, STWB's liability, if any, for the LPR would be de micromis at best.

EPA has identified dioxins and PCBs as the primary risk drivers in the LPR. TMO's nexus documents alleged incorrectly that the Thomasset plant produced PCBs and polychlorinated dioxins/furans generated during the production of phthalocyanine (hereafter "Phthalo") dyes. This allegation was based upon the incorrect conclusion that Thomasset used a solvent-based process during Phthalo blue manufacturing. To the contrary, STWB has conclusive information that Thomasset never used a solvent-based process to manufacture Phthalo blue pigments. Instead, our investigation shows that Thomasset used only a *solvent-less* (dry) baked pigment manufacturing process, which would not have generated PCBs or dioxins/furans. Similarly, L&F operations did not result in a discharge of PCBs or dioxins/furans. We are happy to discuss this information in more detail with you at your convenience.

On the basis of all available information regarding the production operations at both the Thomasset and L&F facilities, we are confident that STWB will qualify for a cash-out settlement at this Site and we look forward to working with EPA and other parties to develop an appropriate protocol for such cash-out settlements.

Thank you for your consideration.

Very truly yours,

COUGHLIN DUFFY LLP

Timothy I. Duffy

TID:jsb